



# Rehabilitation Loan Program

## Contractor Warranty

**INSTRUCTIONS:** This Contractor Warranty must be fully completed and executed by all companies and individuals who contract with the homeowner to complete any portion of the home improvement work. A fully completed and signed original should be retained by the homeowner.

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### Contractor Warranty

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#### Homeowner's Information

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**Borrower Last Name**

**First Name**

**MI**

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**Co-Borrower Last Name**

**Co-Borrower First Name**

**MI**

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**Property Address**

**City**

**MN**

**State**

**Zip**

BY EXECUTING THIS CONTRACTOR WARRANTY, THE UNDERSIGNED ("CONTRACTOR") HEREBY REPRESENTS WARRANTS AND AGREES AS FOLLOWS:

#### Work to be Performed

The Contractor represents and acknowledges that it has entered into a contract with the above listed homeowner(s) to perform certain repairs and work (the "Home Improvement Work") to the property located at the above listed address (the "Improved Property").

#### Warranty

The Contractor hereby warrants to the above listed homeowner(s) and all subsequent owners of the Improved Property (cumulatively Homeowner(s)) that; (i) all of the Home Improvement Work, including all materials, hardware, and fixtures utilized in said improvements, will be free from all defects caused by faulty workmanship and/or defective materials independent of whether such workmanship or materials were in compliance with building standards, for the two (2) year time period from and after the date on which the Home Improvement Work is completed (the "Warranty Date"), and (ii) the portion of the Home Improvement Work that involves major structural changes or additions to any dwelling will be free from major construction defects in the load-bearing portion of such dwellings, including damage due to subsidence, expansion or lateral movement of the soil, that affect the dwelling's load-bearing function and which vitally affect or are imminently likely to vitally affect the dwellings use for residential purposes for a period of ten (10) years after the Warranty Date. The

term "major construction defects," shall not include damage due to movement of the soil caused by flood, earthquake, or other natural disaster.

The Contractor further warrants that it will repair, correct, or replace, at no cost to the Homeowner(s), any instances of defective workmanship or materials or deficiencies subject to the warranties contained herein.

The liability of the Contractor is limited to the specific items set forth above and does not extend to the following; (a) loss or damage not reported by the Homeowner(s) to the Contractor in writing within six months after they discover, or should have discovered, the loss or damage, (b) loss or damage caused by defects in design, installation or materials which the Homeowner(s) supplied, installed or had installed under their direction, (c) secondary loss or damage such as personal injury or property damage, (d) loss or damage from normal wear and tear, (e) loss or damage from normal shrinkage caused by drying of the improvements within tolerances of building standards (f) loss or damages from dampness and condensation due to insufficient ventilation after occupancy, (g) loss or damage from negligence, improper maintenance or alteration of the improvements by parties other than the Contractor, (h) loss or damage from changes in grading of the ground around the improvements by parties other than the Contractor; (i) landscaping or insect loss or damage; (j) loss or damage from failure to maintain the improvements in good repair; (k) loss or damage that the Homeowner(s), whenever feasible, have not taken timely action to minimize; (l) loss or damage which occurs after the dwelling forming a part of the Improved Property is no longer used primarily as a residence; (m) accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards; (n) loss or damage from soil movement which is compensated by legislation or covered by insurance; (o) loss or damage due to soil conditions where construction is done upon lands owned by the Homeowner(s), and obtained from a source independent of the Contractor; (p) loss or damage due to defects in the existing structure and systems not caused by the Home Improvement Work.

This warranty is in addition to, and not in limitation of, any and all other rights and remedies to which the Homeowner(s) may be entitled, at law or in equity, and shall survive the conveyance of title, delivery of possession of the Improved Property, or other final settlement made by the Homeowner(s), and shall be binding on the Contractor notwithstanding any provision to the contrary contained in any instrument heretofore or hereafter executed by the Homeowner(s).

### **Hold Harmless**

Contractor shall defend, indemnify, and hold harmless the Homeowner(s), from all

liability and claims for damages arising from bodily injury, death, property damage, sickness, disease, or loss and expense resulting from Contractor's performance of the Home Improvement Work.

### **Lien Waivers**

Contractor acknowledges and agrees that payment shall not be due for any of the Home Improvement Work until the Contractor has delivered to the Homeowner(s) complete releases of all liens arising out of work performed on the Improved Property or receipt in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to such homeowner indemnifying them against any such lien. In addition, the Contractor agrees to and shall protect, defend and indemnify the Homeowner(s) from any claims for unpaid work, labor, or material performed or used in the completion of the Home Improvement Work.

### **Permits and Codes**

Contractor will secure all necessary permits and licenses required to perform the Home Improvement Work, and all such work shall be performed in compliance with all building code regulations and ordinances whether or not covered by the specifications and drawings for such work.

### **Equal Employment Opportunity**

Contractor shall, with respect to its performance of the Home Improvement Work, provide equal opportunity to all persons, without discrimination as to race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, age, or sexual or affectional orientation.

### **Unacceptable Risk**

Contractor is not listed on any "unacceptable risk" list maintained by the United States Department of Housing and Urban Development, and is also not listed on any Disbarment List maintained by the United States Department of Housing and Urban Development.

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**Contractor**

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Firm Name

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License Number

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Address

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Telephone

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City

State

Zip

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Signature

Executed on the \_\_\_\_\_ Day of \_\_\_\_\_,  
20\_\_\_\_

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Print Name

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Title

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**Proceed to Work Notice**

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A pre-construction conference between the undersigned Contractor, the undersigned Lender and the undersigned Homeowner(s) occurred on the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_. All parties are aware of their obligations and have agreed to their individual responsibilities under the contract and the Contractor Warranty.

Therefore, the Contractor is hereby notified to commence work in accordance with the contract and Contractor Warranty on the above listed Improved Property.

Work must be completed with \_\_\_\_days of this Notice.

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Borrower Signature

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Date

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Co-Borrower Signature

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Date

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Lender Name

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Lender Signature

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Date

Receipt of the above Proceed to Work Notice is hereby acknowledged.

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Contractor Name

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License Number

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Print Name

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Title

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Signature

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Date